

UNITED STATES DISTRICT COURT
 for the
 Southern District of Texas

United States District Court
 Southern District of Texas
 FILED

APR 22 2019

In the Matter of the Seizure of
(Briefly describe the property to be seized)
 Funds up to \$74,143 on deposit in a
 JP Morgan Chase Bank account with
 an account number ending in 3126

) Case No.

David J. Bradley, Clerk of Court

H19-0700M

**APPLICATION FOR A WARRANT
 TO SEIZE PROPERTY SUBJECT TO FORFEITURE**

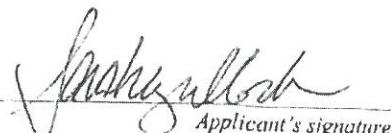
I, a federal law enforcement officer or attorney for the government, request a seizure warrant and state under penalty of perjury that I have reason to believe that the following property in the Southern District of Texas is subject to forfeiture to the United States of America under 18 U.S.C. § 981(a)(1)(C) (*describe the property*):
 and § 984:

Funds up to \$74,143 on deposit in JP Morgan Chase Bank account number 307833126 held in the name of BJ Auto Import & Export LLC.

The application is based on these facts:

See attached affidavit setting out the factual basis for probable cause to believe that the money sought to be seized is subject to forfeiture as property which constitutes or is derived from proceeds traceable to wire fraud in violation of 18 U.S.C. §1343.

Continued on the attached sheet.



Applicant's signature

Sarah W. Bullock, Senior Special Agent, U.S.S.S.

Printed name and title

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone.

Date: 4/22/19



Judge's signature

Peter Bray, U.S. Magistrate Judge

Printed name and title

City and state: Houston, Texas

**AFFIDAVIT IN SUPPORT OF
AN APPLICATION FOR A SEIZURE WARRANT**

I, Sarah W. Bullock, being duly sworn, depose and state as follows:

I. Introduction and Agent Background

I make this affidavit in support of an application for a seizure warrant for up to \$74,143 in funds on deposit in a bank account held at JP Morgan Chase Bank, as I submit that there is probable cause to believe the account contains proceeds from a scheme to defraud.

I am a Special Agent with the Department of Homeland Security, United States Secret Service, and have been so employed since January 1999. I have been assigned to the Houston Area Fraud Task Force in the Houston Field Office for over six years, and I have received training relevant to the subject areas addressed by the United States Secret Service. Specifically, I received training and instruction in federal criminal laws and fraud concerning financial institutions at the Federal Law Enforcement Training Center in Glynco, Georgia, and the James J. Rowley Training Center in Beltsville, MD. I am a Certified Fraud Examiner, certified by the Association of Certified Fraud Examiners (ACFE), which is the world's largest anti-fraud organization and premier provider of anti-fraud training and education.

I am authorized under Title 18, United States Code, Section 3056(b) to conduct criminal investigations concerning any of the laws of the United States relating to electronic fund transfer frauds, access device frauds, false identification documents or devices, and fraud or other criminal or unlawful activity in or against any federally insured financial institution. I am further authorized by 18 U.S.C. § 3056(c) to execute warrants issued under the laws of the United States and make arrests, based upon probable cause, for any felony cognizable under the laws of the United States. I have conducted and participated in numerous criminal investigations of mail and wire fraud, money laundering, monetary transactions in property derived from specified unlawful activity and

the conspiracy to commit all of these offenses, in violation of 18 U.S.C. §§ 1341, 1343, 1349, 1956, 1956(h), and 1957.

The statements in this affidavit are based on my personal observations, training and experience, and on information obtained from witnesses, other law enforcement officials, and a review of records obtained during the course of investigation. Because this affidavit is being submitted for the limited purpose of securing a seizure warrant, I have not included each and every fact known to me concerning this investigation.

II. Property to be Seized

This affidavit is made in support of an application to seize up to \$74,143 on deposit in an account in the name of BJ Auto Import & Export LLC, account number 307833126 (“3126”) at JP Morgan Chase Bank (the “target account”). I submit there is probable cause to believe that this account holds wire fraud proceeds from a scheme to defraud multiple victims in the United States into electronically transferring money to the perpetrators based on false representations, in violation of Title 18, United States Code, Section 1343.

III. Applicable Statutes

Title 18, United States Code, Section 981(a)(1)(C) provides for the civil forfeiture of “[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting ‘specified unlawful activity’ (as defined in section 1956(c)(7) of this title).” A violation of 18 U.S.C. § 1343 (wire fraud) constitutes a “specified unlawful activity” under 18 U.S.C. § 1956(c)(7)(A), which incorporates 18 U.S.C. § 1961(1)(D).

With regard to the civil forfeiture of fungible property, Title 18, United States Code, Section 984 provides that funds deposited in an account in a financial institution that are found in the same account as the property involved in the offense that is the basis for the forfeiture shall be

subject to forfeiture so long as the action is commenced within one year from the date of the offense. This section, when it applies, excuses the government from tracing the proceeds into the account. In other words, hypothetically, if \$100,000 in fraud proceeds were deposited into Account 1234 within the last twelve months, then the government may civilly forfeit an equivalent amount of \$100,000 in funds from Account 1234, even if it is not exactly the same money that was deposited.

Property subject to forfeiture may be seized pursuant to 18 U.S.C. § 981(b)(1).

IV. Background on Online Schemes

According to a March 2013 publication of the U.S. Federal Trade Commission, consumers lose hundreds of millions of dollars annually to cross-border financial crimes. Some of the most common cross-border financial schemes originate in West African nations, such as Nigeria or Ghana. Common online schemes include business email compromise scams, advance payment scams, and romance scams.

The Texas individual who lost money in this case appears to be a victim of an elder scam, in which a fraudster gains the trust or sympathy of an unwitting senior citizen under false pretenses or representations. Generally, the fraudster targets and engages vulnerable victims and makes false representations that cause the victim to wire money to various bank accounts controlled by the fraudster or his co-conspirators. Often, one bank account is used to collect fraud proceeds from multiple victims being defrauded by multiple online personas. Sometimes a bank account is opened in the name of a company where the company name helps convince the victim that the fraudster's request is legitimate (e.g., a request to send money for the purchase of a car to an account with a company name containing the word "automobile"). The multiple bank accounts used in the scheme or conspiracy are generally placed in the names of different individuals and

companies in order to conceal or disguise the nature, location, source, ownership, and control of the fraud proceeds obtained from victims.

The fraudsters in this case deceived victims into believing they were corresponding with a certain persona who needed the victims to wire money to bank accounts based on various false statements regarding the persona's need for money.

V. Investigation of Fraudulent Scheme

I submit that there is probable cause to believe that an 82-year-old victim residing in the Southern District of Texas was defrauded and instructed to wire money to the target bank account controlled by the fraudster or his associates under false pretense and or representations, and that this victim sent \$34,945 to the target account in January 2019. Further investigation revealed a second victim who sent \$39,198 in funds to the same target bank account as a result of fraud.

A. The Texas Victim

On February 15, 2019, this investigation came to our attention through JP Morgan Chase Bank (“JPMC bank”). A JPMC bank investigator was contacted by a detective with the Oak Ridge North (Texas) Police Department regarding his department’s investigation into claims made by an individual with the initials BB, who is 82 years old and lives in Conroe, Texas. During the investigation, BB stated she was contacted via Facebook Messenger on December 17, 2018, by a person she incorrectly believed to be Larry Gatlin, the country and gospel singer (hereinafter, “Gatlin” refers to the person pretending to be the famous singer).

BB was asked to join the app “Hang Out,” a phone messaging application, where Gatlin informed her that he was having issues with his management company who were “watching him on Facebook.” Gatlin told BB he had filed a lawsuit against his management company and needed documents which supported his case that he had in a briefcase. Gatlin said the briefcase was

located in a secure facility in Turkey and he needed financial assistance in order to have the briefcase returned to him in Texas. Gatlin explained all of his money was “tied up” in the lawsuit and asked BB to assist him financially; BB agreed. Gatlin instructed BB to contact Dr. Tom Henry, with True Access Security, by email in order to send the requested money. BB was also provided email contact information for Andrew Williams, who would also receive funds and supposedly assist in returning the briefcase to Gatlin.

Throughout the course of the scheme, BB wired and attempted to wire funds six times, in the total amount of \$125,751.00, from her checking and savings accounts. Transfers were made to three separate accounts, including the target account. Victim BB sent a total of \$34,945 to the target account from one wire transfer on or about January 14, 2019. She also attempted to wire \$18,500 to the target account on January 23, 2019, but that transaction was halted by her bank.

B. BJ Auto Account Overview: Account 3126

The JP Morgan Chase account ending in x3126, BJ Auto Import & Export LLC, was opened in July 2018 with a \$200 deposit. Investigation reveals that shortly after the account opened, the account received large deposits from individuals and businesses both in and out of the United States. The source of funds could not be determined, nor could the purpose for the transactions. For the following few months, similar credits continued, with withdrawals closely following. Between October 2018 and January 2019, the account received six wire transfers totaling \$133,135 from a specific business entity and various unrelated individuals. From the date the account was opened until February 2019, the account was very active, receiving numerous deposits in the way of counter deposits, wires and other transfers. As part of this investigation, I attempted to contact other people who could be identified as having transferred money to the target account 3126.

C. Illinois Victim

On April 16, 2019, I spoke with a 54-year-old man with the initials LS, residing in Illinois, who believes he is a victim of fraud. LS explained he was contacted randomly on Facebook Messenger by an individual identifying herself as Patricia Holms. LS and Holms began communicating regularly via Messenger, “Hang Out” and various email accounts. Holms claimed to be a Lieutenant on active duty in the United States Army stationed in Syria. During his first messaging session with Holms, LS noticed, Holms’ location according to the Messenger app was Ghana. After approximately one month of communications, Holms began asking LS for money.

Holms claimed she had an inheritance and needed financial assistance to transfer it from the United Kingdom to the United States. She explained to LS that Donald Hooks, a family friend living in the United Kingdom, would coordinate the effort. In August 2018, LS received an email from Donald Hooks that instructed him to send money to the target account, BJ Auto Imports & Export LLC account x3126. The instructions further stated the reason for payment should read “Car Purchase”. LS agreed and sent \$5,380 to the x3126 account on August 30, 2018. LS subsequently sent two additional transfers – one on September 4, 2018, in the amount of \$27,643; and one on October 9, 2018, in the amount of \$6,175. In total, LS sent \$39,198 to the target account within the last 8 months.

Communications between LS and Holms continued and she began asking for LS’s assistance in paying for her travel home from Syria. Holms explained the Army would not pay because she had been granted an early release, making her responsible for her own travel expenses. LS sent additional money to other accounts on behalf of Holms. LS now believes he has been the victim of an online fraud.

VI. Application of Section 984 to Balance at Target Account

I submit that probable cause exists to believe (a) victim BB, located in the Southern District of Texas, electronically transferred \$34,945 to the target account as a result of a scheme to defraud; and that (b) victim LS likewise electronically transferred \$39,198 to the target account as a result of a scheme to defraud. The transfers took place between on or about August 30, 2018, and on or about January 14, 2019, which are all within the last eight months.

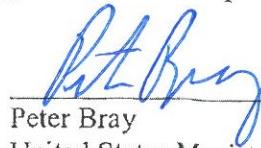
There is thus probable cause to believe that \$74,143 in wire fraud proceeds was deposited into the target account within the last twelve months. By application of Section 984, up to \$74,143 on deposit in the target account is subject to seizure and forfeiture. The current balance on deposit in the target account is believed to be \$51,911.78.

CONCLUSION

Based upon the information outlined above, I submit that there is probable cause to believe that at least \$74,143 in fraud proceeds has been deposited into the target account within the last twelve months; and that up to \$74,143 on deposit in the JP Morgan Chase account with an account number ending in x3126, held in the name of BJ Auto Import & Export LLC, is subject to seizure and forfeiture pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 984.


Sarah W. Bullock
Senior Special Agent
U.S. Secret Service

Subscribed and sworn to by telephone on April 22, 2019, and I find probable cause.


Peter Bray
United States Magistrate Judge